# MINIMUM LOSS RATIO (MLR)

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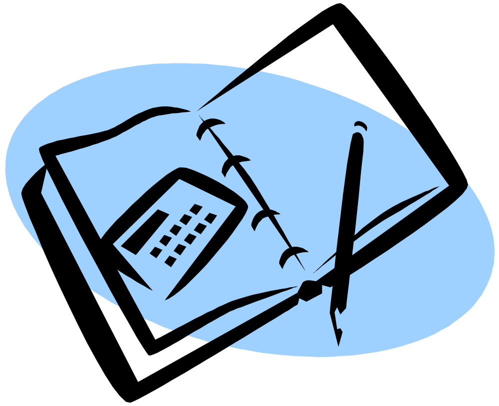
# What is it?

- Medical expenses/Premiums
  - Health Plans (22) – 85%
  - Dental and Vision (9) – around 80%



# Why do we use it?

- Maximize our dollars being spent on the right care and services
- Make sure what RDT shows is accurate

# How do we measure it?

- Periodic reviews – once every 3 years, sometimes more often
- Usually covers one fiscal year; could be two

# What will happen if MLR is less than contracted ratio?

- Develop and complete a corrective action plan, and then <u>correct</u>!
- Future rates could be affected
- Plan will reimburse MRMIB to perform an additional evaluation review for each successive benefit year
- For each evaluation which determines less than contracted MLR, plan shall credit MRMIB the amount required to meet the MLR for the applicable benefit year (*repay overpaid capitation)*

# Where are we in the 3-year cycle?

- DMHC is our agent (not limited to DMHC)
  - 2008/09 – 11 will be scheduled

Questions?